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RUEHUL/AMEMBASSY SEOUL 2566
RUEHKO/AMEMBASSY TOKYO 8725
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RUEAIIA/CIA WASHINGTON DC
RUCPDOG/DEPT OF COMMERCE WASHINGTON DC
RUEATRS/DEPT OF TREASURY WASHINGTON DC
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C O N F I D E N T I A L SECTION 01 OF 03 BANGKOK 000400

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TAGS: [PGOV](#) [PREL](#) [KDEM](#) [TH](#)

SUBJECT: PRIVY COUNCILOR PREM ON THE CURRENT SITUATION

REF: A. BANGKOK 329

[1](#)B. BANGKOK 179

[1](#)C. BANGKOK 152 AND PREVIOUS

Classified By: Ambassador Ralph L. Boyce. Reason 1.4 (b and d)

[1](#)1. (C) Summary. Privy Councilor General Prem Tinsulanonda believes that the Council for National Security (CNS) is being "too gentlemanly" by not working harder to make a corruption and malfeasance case against ousted Prime Minister Thaksin Shinawatra. Prem shares our concern that recent missteps by the CNS have undermined confidence in the interim government but discounts rumors that discontented factions in the military might attempt another intervention into politics. Prem has urged coup leaders to stop their public bickering and focus on getting Thailand through the months ahead. I shared our concerns about martial law and the timetable to return to elected government. End Summary.

THE CNS MUST REMAIN COHESIVE

[1](#)2. (C) In the latest of our periodic lunches to discuss Thai politics, on January 19, Privy Councilor General Prem Tinsulanonda shared my concern about apparent drift within the Council for National Security (CNS) and the Surayud Government. I noted that, while the interim rulers seem to be adhering to the rough timetable it laid out to put a draft constitution before voters and elect a new government, they have not clearly spelled out for the Thai people what citizens can expect at the end of this process.

[1](#)3. (C) Prem believes it is important that the men who conducted the coup remain united and not allow policy differences to split them apart. He also thinks that CNS and RTG leaders are being "too gentlemanly" by not going after Thaksin head on for abuses under his administration and letting Thaksin manipulate the media to keep the focus on his personal predicament rather than on the political process in Thailand. Prem said that he recently reminded CNS head General Sonthi Boonyarataglin of the tremendous risk involved in Sonthi's present undertaking by pointing out that the men who had tried to overthrow the Prem government in a coup in the 1980's had been either imprisoned or executed for their failed coup.

DRIFT AND INEPT ECONOMIC AND SECURITY MOVES

14. (C) I told Prem that we thought it a mistake that in the weeks following September 19 the coup leaders had focused on trivial issues like the drinking age and the lottery. I also pointed to the two disastrous economic decisions -- the short-lived capital control regulations and the proposed amendments to the Foreign Business Act -- which had created a perception that the interim government was capricious and inept in its policy making. I noted that, in the case of the capital controls, the RTG had quickly acknowledged its error and tried to mitigate the damage but emphasized that the proposed changes in the Foreign Business Act, while they aim to close loopholes abused by Thaksin's Shin Corporation in the sale of Shin to Singapore's Temasek Corporation, were having the undesired effect of creating confusion in the business community, especially the telecommunications sector; they were reinforcing a perception of government incompetence and arrogance since the proposed amendments were put forward without consulting the foreign business community. The potential impact of these economic missteps in terms of foreign investment foregone was "incalculable" I said. All of this policy confusion, I reminded Prem, came to a head right as the government had immediately fingered Thaksin as the culprit behind the New Years bombs without providing one scintilla of evidence.

15. (C) Prem agreed, further noting how Thaksin had taken advantage of the CNS's accusations to go on international television to defend himself, thereby slamming the CNS from his recent perch in Singapore. Prem mused that it might be easier to control Thaksin if he were to return to Thailand

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and be placed under house arrest, but conceded that absent a concerted prosecution effort there are no legal grounds to arrest Thaksin and keep him from continuing his Flying Dutchman act.

THE CHAVALIT-SAPRANG SPAT

16. (C) Recounting the public feud which recently played out in the press between former Prime Minister General Chavalit Yongchaiyudh and CNS Assistant Secretary General Saprang Kallayanamit, Prem told me how he had summoned Chavalit to ask him to stop the public bickering. During that meeting, Chavalit told Prem that he was only trying to do what is best for Thailand. He said that he could not understand why some members of the CNS seemed opposed to him, claiming they were all his brother officers and that some were even juniors he had mentored.

17. (C) I asked Prem whether he really believed Chavalit, noting Chavalit's penchant for double talk, spreading conspiracy theories and, his obvious political ambitions, and asked if Prem had really understood what Chavalit had said. Prem laughed, saying that his encounter was one of the "rare occasions where Chavalit was clear and concise."

RECOUP RUMORS AND KOWIT

18. (C) I asked Prem for his take on recent rumors of a "recoup" under which some members of the CNS purged other members of the junta and government who were not moving quickly enough to rid Thailand of Thaksin's influence. Prem said that he had contacted CNS chair GEN Sonthi about the rumors and is convinced that the military remains cohesive and there is little risk of a follow up coup. He did concede that the police remain a "major problem," noting Sonthi's public complaint that the police did not respond effectively to the New Year's bombings. That said, Prem does not agree that CNS member and Police General Kowit Wattana should be ousted. Prem believes that firing Kowit could result in his slot on the CNS being filled by "someone worse." Prem suggested that Kowit's problem is not that he does things

incorrectly, rather that he does nothing at all.

CONSTITUTION DRAFTING

¶9. (C) Prem knew that I had recently met Constitution Drafting Assembly Chairman Noranit Setabutr and asked what we thought about the Constitution process. I explained that the press headlines following my meeting with Noranit which suggested we had "demanded" a quicker drafting process had been blown out of proportion and told Prem that my meeting with Noranit had actually been quite civil. That said, I told Prem that we were beginning to focus on the real possibility that, no matter how good the draft constitution is, the constitutional referendum could fail due to lack of support in the North and Northeast, Thaksin's populous strongholds. I suggested that the interim government was not doing nearly enough to explain to the electorate how it planned to transition to a normal government. The vast majority of rural Thai get their news from the electronic media which had been masterfully used by Thaksin for five years to justify his policies. I noted that for the previous four months I had not seen one program in which the coup leaders laid out Thaksin's shortcomings either from the Shin Corporation sale, widespread corruption and cronyism, extra-judicial killings, media control, or his inept policies towards the separatist violence in the South.

MARTIAL LAW

¶10. (C) I explained to Prem how the continuation of martial law in areas beyond the border areas under military control before the coup was a major concern in Washington. I reminded Prem that Surayud had promised President Bush in Hanoi that he would lift martial law and that bureaucratic dithering over implementation measures was difficult to explain. When Prem suggested that Thai authorities were not

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really enforcing martial law, I countered by asking why then is it needed in the first place. I also told Prem that it was difficult to effectively plan our Cobra Gold military exercise without greater clarity on the martial law situation.

COMMENT

¶11. (C) Prem obviously shares some of our concerns about policy drift and a lack of cohesion within the interim government and he appears to have taken steps to try to stop the public bickering among Thai leaders that is undermining public confidence. His comments about the coup leaders being "too gentlemanly" hopefully pertains not to the need to be more ruthless, but rather to the need for the CNS to make a more concerted effort to explain to the electorate why the coup leaders believe a coup was necessary, and take the steps needed to pave the way for a successful constitutional referendum and national election.

BOYCE